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TRADE POSSIBILITIES IN GERMANY AND AUSTRIA

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American business men as a class, whether they are doing business in Germany or not, or whether they have in the past had any German trade at all or not, should awaken to the fact that the greatest chance for trade expansion is going to come to the United States as a result of this war, and that this chance for trade expansion is with Germany and Austria.

Americans are talking a lot about the opportunities for trade expansion with South America presented by the war. But there is nothing heard of the far more important field afforded by Germany and Austria. South America has a population of about 35,000,000. Germany and Austria have a combined population of about 115,000,000.

The manufacturers of the United States should arouse themselves to the fact that the Teutonic allies are going to offer a superb market for American goods in consequence of the war. The goods which were hitherto imported from Great Britain and her colonies, from France and from Russia, can in large measure, be supplied hereafter by the manufacturers of the United States if American business men will once understand that there is to be a vast market presented in those countries.

The question is often asked, "What goods will sell well in Germany?" In general any manufacture of first class quality will sell in Germany. When this war is over Germany will need almost all kinds of goods and it will be good time to get into the German market and we shall find Germany one of the best foreign markets. In general, a firm going into the German market should have its own special representative—this special representative will be found to be the connecting line between producer and consumer. This applies to doing business with most countries. The first requisite of foreign trade is superiority of goods. There is no reason why American textiles, especially hosiery and knit goods, in which branches we have made great strides, should not compete with those

of German make. There will always be articles with which we cannot compete, otherwise trade ceases to be reciprocal. The sale of American footwear in Germany has increased about half a million during the past year. Our tanning processes are said to be superior to the German and we are also very careful to put good stock into our footwear. American fur-trimmed clothing could be exported with profit, as furs are cheaper with us—provided however, we consult the tastes of our customers. In hides and leather, also in woolen goods, we could compete. In manufactures of paper we are in many respects ahead of Germany as to variety of good designs and uses to which we put paper—these are finding a ready market in Germany. Instead of importing made-up cotton goods from Germany, we ought to export them and supply our own needs from our own mills. American ready-made suits for men and boys are a new article for Germany and are selling well at present in the department stores in Berlin, where also American collars, cuffs and shirts are marketed. This is a branch that would not fail of a good sale; to be sure we already have our goods there, but in small quantities only. A German collar sells for a quarter, so that there ought to be a good profit. Other things that could be sold in such a store are travelers' requisites and every requisite for a gentleman's outfit, and American steel office furniture. Little attempt has been made to sell office furniture, only one American firm, so far as I know, having made an attempt. Our state department at Washington has lately been in the habit of furnishing its offices abroad with this kind of furniture, a practical advertisement if pointed out to visitors. There are many other articles which would sell well in Germany.

During the few months I have been in the United States the usual greeting I receive is, "Well, you are lucky to get away from Germany just at this time." I mention this as indicative of the erroneous impression concerning present conditions in Germany. I say erroneous—because if you were in the city of Berlin today, you would not imagine that the country is engaged in one of the most formidable wars Germany ever undertook. It is remarkable to what extent normal conditions have been maintained in Berlin since the beginning of hostilities. You see just as many able-bodied men on the streets, you see just as many ladies doing their shopping as ever, you will find the cafés and confectioners as frequented as ever, only you will find the Germans quieter and more

subdued as a natural result of the terrible sacrifices almost every family is making.

The retail stores, especially the great department stores, are still doing a good business. Electric and other power cabs are still running, although in reduced numbers owing to the lack of chauffeurs. The auto omnibuses, however, are running regularly on all lines. A small number of the wives of conductors on the surface lines have been given the places of their husbands, who have gone to the front. Factories, other than those for military needs, are working on half-time, half-wages and half-force. Merchants are meeting their liabilities as in times of peace and there is no moratorium. Everyone is trying his or her best to bridge over the business situation. Those working for the army, in any capacity, are making hay while the sun shines, and the average shoemaker, saddler and petty tailor have for years not reaped such golden harvests as at the present time. Latest statistics show that the improvement of the labor question is making steady strides and the number of unemployed is not as large as might be expected. Of course taking 5,000,000 men for the army lessens the number of mouths to be fed at home.

The Industrial Situation

It is unnecessary to remark that industrial activity underwent many limitations during the days of mobilization, but assumed fairly normal shape after concentration of the military forces. No slack was experienced by the industries connected with the production of food products. The metal and clothing industries are, on the whole, engaged to their full capacity. During the months of September and October the following industries increased their activity and output: the metal, chemical, textile, clothing, leather goods and printing industries.

Prices of Foodstuffs

The harvests in Germany last fall were almost normal. The yield of rye exceeded that of previous years by a million and a half hundredweight, and rye forms the staple article of food. All the crops were harvested expeditiously by aid of the pupils in the higher classes of the schools and the seeding next spring will probably be done by the same persons.

In October the federal council prescribed maximum prices for wheat, to take effect November 4. The maximum price for home-grown rye differs somewhat in the various provinces, but keeps within the limit of between 209 and 237 marks per ton. The maximum price for home-grown wheat amounts to 40 marks more than for rye. The object of these fixed maximum prices is to insure steady provision of food for the population at normal prices.

In scrutinizing the future of American exports into Germany, it can safely be said at the outset that soon after the war a tremendous boom may be expected. Three conditions, however, govern this desirable and hoped-for situation, *viz.*:

First, that the friendly political relations of old between America and Germany continue;

Second, that the same commercial relations continue, unharmed on either side by prejudice or envy;

Third, that American exporters deal with their German customers direct.

In regard to the first item, any sane person does not expect anything but continuation of the old, never disturbed friendship between the two countries.

The second item calls for tolerance on the part of both countries, and efforts in this direction, combined with intelligent study, in order to widen the export possibilities, will surely lead to splendid results.

The third item represents but natural results of the attitude of the English government which now prohibits any commercial intercourse with Germany. American exporters, who have given sales privileges for continental Europe to business houses in England, will in the future have to do their business with the representatives in Germany direct.